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SUBJECT: NEPAL'S ANTI-CORRUPTION WATCHDOG INITIATES
INVESTIGATIONS OF LEADING POLITICAL FIGURES

REF: 2002 KATHMANDU 2467

Summary
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1. (SBU) On May 16, the Commission for the Investigation of the Abuse of Authority (CIAA) issued summons to prominent current and former politicians and government employees, including former Prime Minister and General Secretary of the Nepali Congress Party Girija Prasad Koirala. On May 19, Koirala filed a petition in the Supreme Court requesting a stay order, which was denied. The court did issue a notice requiring the CIAA to respond in writing to Koirala's petition. Koirala has found little support for his legal actions thus far. Regardless of whether Koirala wins the Supreme Court case, his defiance of the CIAA now pits him squarely against the public's interest in fighting corruption. End summary.

New Sweep of Corruption Investigations
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2. (U) On May 16, the Commission for the Investigation of the Abuse of Authority (CIAA) issued summonses to over forty prominent current and former politicians, ministers, police officers, and civil servants, including former Prime Minister and General Secretary of the Nepali Congress Party Girija Prasad Koirala. The summonses requested the recipients to present themselves at the CIAA's office on May 19. The CIAA's action was based upon the findings of the Judicial Inquiry Commission on Property (JICP), which required 30,000 public servants and former officials to provide details on their assets (refel). The JICP provided the report to the King and Cabinet on March 4. The report was passed to the CIAA on May 1, after a Cabinet decision. On May 8, the Home Ministry made public the names of 1,900 politicians, civil servants, and police officers who had failed to submit property forms. However, neither the Home Ministry nor the CIAA has released the full details of the report, citing the need for security during investigations.

3. (U) Members of the Nepal Communist Party-United Marxist Leninist (UML), the Rastriya Prajatantra Party (RPP), and both factions of the Nepali Congress received summonses. However, the Nepali Congress, including Koirala's daughter, received the majority of the actions issued. Other prominent individuals summoned include:

- Lok Man Singh Karki, Secretary of the Ministry of Population and Environment;
- Tirtha Man Shakya, former Chief Secretary;
- Chakra Bandu Aryal, former Secretary of Defense;
- Padam Prasad Pokharel, former Secretary of Home;
- Achut Krishna Kharel, former Inspector General of Police;
- Moti Lal Bohara, former Inspector General of Police;
- Arjun Narsingh KC, Nepali Congress Central Working Committee Member and Party Spokesman;
- Sujata Koirala, daughter of G.P. Koirala;
- Khum Bahadur Khadka, former Minister of Home;
- Bijaya Kumar Gachchhadar, former Minister of Culture, Tourism, and Civil Aviation;
- Bal Bahadur KC, former Minister of Culture, Tourism, and Civil Aviation;
- Govinda Raj Joshi, former Minister of Home;
- Dr. Prakash Chandra Lohani (RPP), former Minister of Finance and of Foreign Affairs;
- Dr. Ram Saran Mahat, former Minister of Finance and of Foreign Affairs;
- Mahesh Acharya, former Minister of Finance;
- Bam Dev Gautam, former Deputy Prime Minister and Minister of Home;
- Bhim Rawal (UML), former Minister of Culture, Tourism, and Civil Aviation;
- Mohan Bahadur Basnet, former Minister of Health;
- Mohan Bahadur Karki, Chief of the National Surveillance Center; and
- Rabindra Nath Sharma, former Minister of Finance.

Koirala Charges Political Motivation
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14. (U) Koirala shot back at the CIAA on May 17, charging that the CIAA's summons was "simply a game to assassinate my character." He also demanded that all of the details of JICP report be made public and that the royal family declare all of its property wealth back fifty years. On May 19, Koirala filed a petition in the Supreme Court requesting a stay order on two alleged grounds. First, the basis of the CIAA's summons, the JICP report, was illegally obtained. Second, the CIAA has not followed proper procedure in summoning Koirala. On May 21, the Supreme Court turned down Koirala's request for a stay order but instead ordered the CIAA to respond in writing to Koirala's petition within fifteen days. Other members of the Nepali Congress Party did not join Koirala's legal fight and appeared before the CIAA at their appointed time.

Others Supportive of CIAA =====

15. (U) In pointed contrast to Koirala's public fight against the CIAA, Madhav Kumar Nepal, General Secretary of the UML, stated that "the corrupt should be punished and jailed." (Note: Nepal was not/not among those summoned by the CIAA. End note.) He cautioned, however, that the CIAA investigations must be justified and not politically motivated. Executive Director Prakash Sharma of the non-governmental organization Pro-Public lauded the initiative of the CIAA, arguing that the CIAA is within the authority given it by Parliament. Both Sharma and Ashish Thapa, Executive Director of Transparency International-Nepal, agreed with the CIAA's decision that the details of the JIPC report should not be made public in the interests of protecting the investigation.

Next Steps =====

16. (U) Those summoned probably will continue to trickle into the CIAA's office over the coming weeks. During their sessions to date, the CIAA has requested clarification of property details and the submission of updated financial disclosure forms. According to CIAA statements, the revised documentation will be the basis for possible future legal action. The CIAA's summons to Koirala still stands and, according to CIAA statements in the press, Koirala's continued refusal to appear before the anti-corruption watchdog flouts the authority of that body. Under law, the CIAA has the authority to arrest Koirala. An unnamed CIAA official stated, however, that "we want to maintain civility and expect Koirala to come before or after the court verdict."

Comment =====

17. (SBU) The two-month hiatus between the delivery of the JICP report to the Cabinet and the issuance of summonses raises questions about the timing of this far-reaching inquiry. That said, well before the dismissal of the last government on October 4, public surveys cited corruption as one of Nepali voters' most pressing concerns. There is widespread public support for CIAA's campaign as well as a widespread perception that well-entrenched politicians like Koirala are appropriate targets of investigation. Regardless of whether Koirala wins the Supreme Court case, his defiance of the CIAA now puts him squarely against the public interest in fighting corruption and undoubtedly contributes to the long-term erosion of support for himself and his party.
BOGGS